

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER ELECTRIC)	
CORPORATION FOR CERTIFICATE OF)	
CONVENIENCE AND NECESSITY PURSUANT)	
TO KRS 278.020(1) AND 807 KAR 5:001,)	CASE NO. 95-556
SECTION 9 AND RELATED SECTIONS)	
AUTHORIZING CERTAIN PROPOSED)	
CONSTRUCTION)	

O R D E R

Green River Electric Corporation ("Green River") filed its application on December 14, 1995 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant at a cost of \$7,435,938. In support of its application, Green River filed its 1996-1998 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 2 years to serve its load.

Green River seeks authorization to construct extensions and additions to its plant as follows:

1.	New distribution lines	\$3,129,840
2.	New distribution tie lines	120,900
3.	Distribution line conversions	34,800
4.	Substation changes	682,500
5.	Miscellaneous dist. equipment	3,191,084
6.	Security lights	<u>276,814</u>
	Total	\$7,435,938

The proposed construction will enable Green River to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Green River indicated that it initially would use general funds to finance the Work Plan, but would later seek long-term financing from the Rural Utilities Service ("RUS") and the National Bank for Cooperatives ("CoBank"). Green River intends to finance 70 percent of the project with RUS funds and 30 percent from CoBank.¹ Green River's applications with RUS and CoBank are pending.

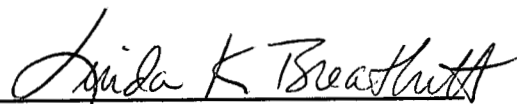
Based on the application and supporting 1996-1998 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Green River are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Green River be and it hereby is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1996-1998 Work Plan.

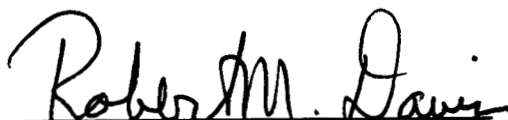
¹ Green River anticipates filing an application seeking Commission approval of the CoBank financing in the third quarter of 1996. See response to the Commission's March 4, 1996 Order, Item 4(c).

Done at Frankfort, Kentucky, this 17th day of July, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director